

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D. C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): November 30, 2011

**H&R BLOCK, INC.**

(Exact name of registrant as specified in charter)

**Missouri**  
(State of Incorporation)

**1-6089**  
(Commission File Number)

**44-0607856**  
(I.R.S. Employer  
Identification Number)

**One H&R Block Way, Kansas City, MO 64105**  
(Address of Principal Executive Offices) (Zip Code)

**(816) 854-3000**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 1.02. Termination of Material Definitive Agreement**

In connection with the sale of the RSM McGladrey operations of H&R Block, Inc. (the "Company") under the Merger Agreement, as further described in Item 2.01 below, the relationship and various agreements between the Company and its affiliates and McGladrey & Pullen LLP ("M&P") have terminated and thus the Company will no longer be operating together with M&P or participating in the RSM McGladrey operations, except as required under the Merger Agreement. Please see the disclosure set forth in Item 2.01 under the caption "Completion of Acquisition of Disposition of Assets," which disclosure is hereby incorporated into this Item 1.02 by reference.

### **Item 2.01. Completion of Acquisition of Disposition of Assets**

On November 30, 2011, the Company completed the sale of its RSM McGladrey operations, pursuant to the previously disclosed Agreement and Plan of Merger (the "Merger Agreement") dated November 3, 2011 among the Company, its indirect wholly owned subsidiaries RSM McGladrey Business Services, Inc. ("RSMBS") and RSM McGladrey, Inc. ("RSM"); and M&P and its wholly owned subsidiary McGladrey Merger LLC (the "M&P Sub"), whereby M&P Sub was merged with and into RSM and RSM is continuing as the surviving limited liability company and a subsidiary of M&P, all in accordance with such agreement which is described in the Company's Current Report on Form 8-K filed on November 7, 2011.

Prior to entering into the Merger Agreement, the Company, M&P and certain of their affiliates had entered into various agreements whereby RSM and M&P operated together in an alternative practice structure with RSM providing tax and consulting services and M&P providing audit services. This relationship terminated at the closing of the sale.

The Company will receive total proceeds of approximately \$575 million, which includes closing cash proceeds of \$487 million (including \$12 million of cash on RSM's closing balance sheet), a note in the principal amount of \$54 million, and approximately \$34 million of cash (including an expected working capital adjustment), which the Company expects to receive by December 31, 2011. Proceeds are subject to further post-closing adjustments. In addition, under the Merger Agreement, M&P assumed substantially all of the liabilities of the RSM McGladrey operations, including contingent payments and lease obligations. The Company has also undertaken to indemnify M&P for certain litigation matters and certain obligations related primarily to previously sold RSM subsidiaries. The sale triggered distributions of approximately \$74 million to RSM employees who were participants in a Company sponsored deferred compensation plan.

The final terms and conditions of the sale are consistent to those described in the Company's Current Report on Form 8-K filed on August 24, 2011 and November 7, 2011. Differences from the purchase price of \$610 million as described in the Current Report on Form 8-K filed on August 24, 2011 are the result of cash of approximately \$35 million transferred by RSM to the Company prior to the closing.

The foregoing summary is qualified in its entirety by reference to the full text of the Merger Agreement which was filed as Exhibit 2.1 to the Current Report on Form 8-K filed on November 7, 2011.

The Merger Agreement and this summary are not intended to modify or supplement any factual disclosures about the Company and should not be relied upon as disclosure about the Company without consideration of the periodic and current reports and statements that the Company filed with the United States Securities and Exchange Commission.

### **Item 9.01. Financial Statements and Exhibits**

(b) Unaudited Pro Forma Financial Information

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Unaudited Pro forma financial information.</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**H&R BLOCK, INC.**

Date: December 6, 2011

By: /s/ Jeffrey T. Brown  
Jeffrey T. Brown  
Senior Vice President and Chief Financial Officer

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EXHIBIT INDEX

Exhibit 99.1

Unaudited Pro Forma Financial Information.



## UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated income statements are derived from the historical consolidated financial statements of H&R Block, Inc. (HRB) and give effect to the transfer of the results of operations of RSM McGladrey, Inc. (RSM) and RSM EquiCo, Inc. (EquiCo) to discontinued operations on the condensed consolidated income statements. EquiCo was not part of the merger agreement noted in Item 2.01 above, however, concurrent with the announced sale of RSM, HRB's Board of Directors announced it was evaluating strategic alternatives for EquiCo. Therefore, EquiCo's results of operations are included in discontinued operations in the pro forma financial statements below. The ultimate disposition of EquiCo will not have a material impact on HRB's financial statements.

The unaudited pro forma condensed consolidated income statements for the years ended April 30, 2011, 2010 and 2009 are included below. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical audited consolidated financial statements and notes thereto included in HRB's Form 10-K for the year ended April 30, 2011 and Form 10-Q for the six months ended October 31, 2011, as filed with the Securities and Exchange Commission.

The condensed consolidated balance sheets as of October 31, 2011 and April 30, 2011 included in the Form 10-Q for the period ending October 31, 2011, include all entries necessary to present the assets and liabilities of RSM and EquiCo as held-for-sale, but do not include cash proceeds and the note receivable resulting from the sale of RSM discussed in Item 2.01 above.

The pro forma adjustments are based upon information and assumptions available at the time of the filing of this Current Report on Form 8-K. HRB will continue to provide certain support services to RSM after the date of sale under a transition services agreement. The impact of this agreement is not estimable at this time and is not reflected in these unaudited pro forma financial statements.

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**PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENTS**

Unaudited, amounts in thousands, except per share amounts

Year ended April 30,	2011			2010			2009		
	As reported	Amounts Transferred to Discontinued Operations	As Adjusted	As reported	Amounts Transferred to Discontinued Operations	As Adjusted	As reported	Amounts Transferred to Discontinued Operations	As Adjusted
<b>Revenues:</b>									
Service revenues	\$ 3,225,861	\$ (797,757)	\$ 2,428,104	\$ 3,231,487	\$ (823,939)	\$ 2,407,548	\$ 3,437,906	\$ (859,639)	\$ 2,578,267
Product and other revenues	414,282	(31,066)	383,216	520,440	(31,513)	488,927	491,155	(30,807)	460,348
Interest income	134,153	(493)	133,660	122,405	(4,045)	118,360	154,516	(6,002)	148,514
	<u>3,774,296</u>	<u>(829,316)</u>	<u>2,944,980</u>	<u>3,874,332</u>	<u>(859,497)</u>	<u>3,014,835</u>	<u>4,083,577</u>	<u>(896,448)</u>	<u>3,187,129</u>
<b>Operating expenses:</b>									
Cost of revenues	2,414,590	(637,808)	1,776,782	2,467,996	(647,579)	1,820,417	2,596,218	(663,062)	1,933,156
Selling, general and administrative	694,136	(142,277)	551,859	631,499	(150,895)	480,604	648,490	(130,391)	518,099
	<u>3,108,726</u>	<u>(780,085)</u>	<u>2,328,641</u>	<u>3,099,495</u>	<u>(798,474)</u>	<u>2,301,021</u>	<u>3,244,708</u>	<u>(793,453)</u>	<u>2,451,255</u>
Operating income	665,570	(49,231)	616,339	774,837	(61,023)	713,814	838,869	(102,995)	735,874
Other income, net	11,455	(91)	11,364	9,298	302	9,600	501	(243)	258
Income from continuing operations before taxes	677,025	(49,322)	627,703	784,135	(60,721)	723,414	839,370	(103,238)	736,132
Income taxes	257,620	(22,464)	235,156	295,189	(26,898)	268,291	326,315	(43,222)	283,093
Net income from continuing operations	419,405	(26,858)	392,547	488,946	(33,823)	455,123	513,055	(60,016)	453,039
Net income (loss) from discontinued operations	(13,295)	26,858	13,563	(9,704)	33,823	24,119	(27,382)	60,016	32,634
<b>Net income</b>	<u>\$ 406,110</u>	<u>\$ -</u>	<u>\$ 406,110</u>	<u>\$ 479,242</u>	<u>\$ -</u>	<u>\$ 479,242</u>	<u>\$ 485,673</u>	<u>\$ -</u>	<u>\$ 485,673</u>
<b>Basic earnings (loss) per share:</b>									
Net income from continuing operations	\$ 1.35	\$ (0.08)	\$ 1.27	\$ 1.47	\$ (0.10)	\$ 1.37	\$ 1.53	\$ (0.18)	\$ 1.35
Net income (loss) from discontinued operations	(0.04)	0.08	0.04	(0.03)	0.10	0.07	(0.08)	0.18	0.10
Net income	<u>\$ 1.31</u>	<u>\$ -</u>	<u>\$ 1.31</u>	<u>\$ 1.44</u>	<u>\$ -</u>	<u>\$ 1.44</u>	<u>\$ 1.45</u>	<u>\$ -</u>	<u>\$ 1.45</u>
Basic shares outstanding	309,230		309,230	332,283		332,283	332,787		332,787
<b>Diluted earnings (loss) per share:</b>									

Net income from continuing operations	\$ 1.35	\$ (0.08)	\$ 1.27	\$ 1.46	\$ (0.10)	\$ 1.36	\$ 1.53	\$ (0.18)	\$ 1.35
Net income (loss) from discontinued operations	<u>(0.04)</u>	<u>0.08</u>	<u>0.04</u>	<u>(0.03)</u>	<u>0.10</u>	<u>0.07</u>	<u>(0.08)</u>	<u>0.18</u>	<u>0.10</u>
Net income	<u>\$ 1.31</u>	<u>\$ -</u>	<u>\$ 1.31</u>	<u>\$ 1.43</u>	<u>\$ -</u>	<u>\$ 1.43</u>	<u>\$ 1.45</u>	<u>\$ -</u>	<u>\$ 1.45</u>
Diluted shares outstanding	309,777		309,777	333,236		333,236	334,539		334,539

Note: The unaudited condensed consolidated income statements present the results of operations of our RSM-related businesses as discontinued operations.